



# CONGRESS OF THE UNITED STATES

September 10, 2008

Mr. James B. Lockhart  
Director  
Federal Housing Finance Agency  
1700 G Street NW  
4th Floor  
Washington, DC 20552

Dear James:

It has come to my attention the outgoing chief executive officers (CEOs) of Fannie Mae and Freddie Mac, Daniel Mudd and Richard Syron, are due to receive multimillion dollar compensation packages, including cash replacement of lost stock options. In the absence of Fannie Mae and Freddie Mac Boards of Directors, I am concerned these packages have not been adequately scrutinized.

As Director of the Federal Housing Finance Agency, I urge you to carefully evaluate the size and appropriateness of these packages. I would also be interested to know how the value of both CEOs' stock holdings were calculated at the time their compensation packages were negotiated.

I urge you to use your full authority, as Director of the recently-created Federal Housing Finance Agency, to withhold compensation in the event wrongdoing is suspected with relation to the outgoing CEOs. Additionally, should you determine these compensation packages are unreasonable, I would support your decision to renegotiate these packages.

I appreciate your attention to this matter.

Sincerely,

A handwritten signature in blue ink, which appears to be "Christopher Shays", is written over the word "Sincerely,".

Congressman  
Christopher Shays  
Fourth District Connecticut

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